

# AN ANALYSIS OF EMPLOYEE ATTRITION IN AMARAJA BATTERIES LIMITED, TIRUPATI, AP

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## ABSTRACT

*In general, Competitive organization will depend on the inimitability of their human resources and the systems for managing human resources effectively to become successful. Managing of human resources of organization is very difficult task, in particularly part of attrition. The present study covered at addressing socio demographic factors with employee attrition factors for employee. Data has been collected through a well structured questionnaire survey. The study identified 3 factors influencing employee attrition in Amara Raja Batteries Limited, Tirupati (AP). Used Statistical Software SPSS for Statistical analysis, in this study we used Descriptive statistics, Chi-square test, t-test and F-test. It is found that the employee's salary is emerged as the most critical factor for Attrition.*

**Key words:** Employee Attrition, Job satisfaction, F and Chi-square test

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## 1. INTRODUCTION

The share of India's manufacturing output to overall GDP was only 15.8% in 2010-11, as compared with 30% in China, 31% in Korea, 36% in Thailand, 26% in Malaysia, 25% in Indonesia and 22% in Singapore. The Indian manufacturing sector has significant potential to generate large scale employment especially in the organized sector. Historically, during the transition process, the manufacturing sector has been the main absorber of mass unskilled labour released from the agricultural sector. Unlike the East Asian economies, the country has not been able to draw employment from agriculture into manufacturing in any significant magnitude. Agriculture still remains the chief employment generator contributing 50% of the

total employment (2007). This is the highest among most Asian and emerging market economies (Brazil 19%, China 44%, Indonesia 41%, Korea 7%, Malaysia 15%, and Thailand 42%) with the industry contributing to only 20% of overall employment. Manufacturing employs 12% of the Indian workforce or about 53 million people.

## 2. DEFINITION OF EMPLOYEE ATTRITION

Turnover can be either voluntary or involuntary. Voluntary turnover happens when the employees initiate the termination of employment regardless the reasons, while involuntary turnover happens when a termination is initiated by the employers. Involuntary turnover may help improving productivity because underperforming employees were removed (Davidson & Wang, 2011). Most of the research on turnover is devoted to the causes and consequences of voluntary turnover (Schneer, 1993).

The impact of involuntary turnover to the company is minimal because it is under employer's control. In this study, only voluntary leave of employees is considered and brought into the discussion of turnover, regardless of whether a replacement is successfully prepared or not. To align with Wheelhouse's (1989) argument, turnover happens only if the left employees must be replaced. Therefore, those temporary workers who were hired to meet seasonal flow of business are not a part of in this study.

## 3. METHODOLOGY

The research was aimed at analyzing the demographical and attrition rate in Amara Raja Batteries Limited, Tirupati (AP). Further on the research focused on determining the impact of socio-demographic factors on turnover intention, association between job satisfaction, organization commitment, and Perceived alternative employment opportunities, Distributive Justice, Procedure Justice and Employee Retention Strategies on turnover intention. The research also delved upon the factors prompted to opt career in Amara Raja Batteries Limited, the factors that attract to stay in the organization and factors that may lead to leaving an organization.

The present study is a descriptive in nature. Research method used for the present study is both descriptive as well as ex post facto method. The population of the study is all Operator Cadre Employees who are designated as Amara Raja Trainees (ARTs) of Amara Raja Batteries Limited. The total no of Amara Raja trainees are 3000. There is Four departments viz., Continuous Improvement, Stores & Internal logistics, Production and Maintenance. Each department consists of 750 employees. The sample of respondents is selected based on Stratified Random Sampling with equal proportional allocation technique. From Each department, 90 employees (ARTs) have been chosen. Likewise from Four departments total 360 employees (ARTs) are taken. The main sources of data for the present research consist of both primary and secondary sources. The primary data was collected through the field survey. The respondents were administered a structured questionnaire.

In this study, the data analysis is performed with the help of Statistical Package for Social Sciences (SPSS 20.V ) The study utilizes both descriptive as well as inferential statistics for data analysis like Descriptive Statistics, Chi-Square test, t-test and Analysis of Variance (ANOVA).

## 4. RESULTS AND DISCUSSION

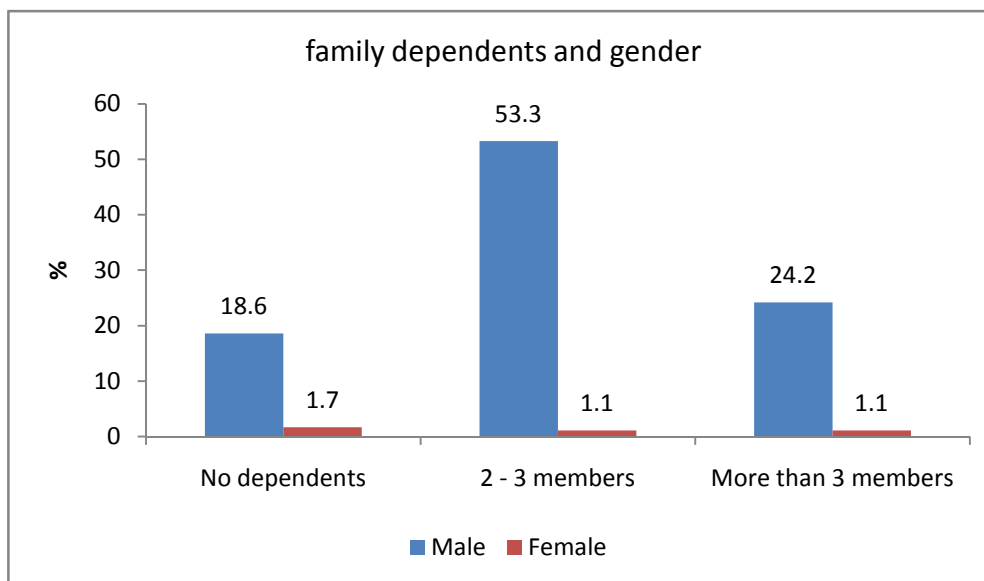
From the Statistical analysis, we observed that among the 360 samples was collected including socio demographical variables with attrition factors of the employees.

**Table 1** Association between genders with number of dependents

Number of Dependents	Gender		Total
	Male	Female	
No dependents	67 (18.60)	6 (1.70)	73 (20.30)
2 - 3 members	192 (53.3)	4 (1.10)	196 (54.40)
More than 3 members	87 (24.20)	4 (1.10)	91 (25.30)
Total	346 (96.10)	14 (3.90)	360 (100)

Chi square value 5.516\* and Parenthesis indicate percentages

Note: \* Significant at 0.05 levels

**Graph 1** Distribution of respondents of family dependents and gender

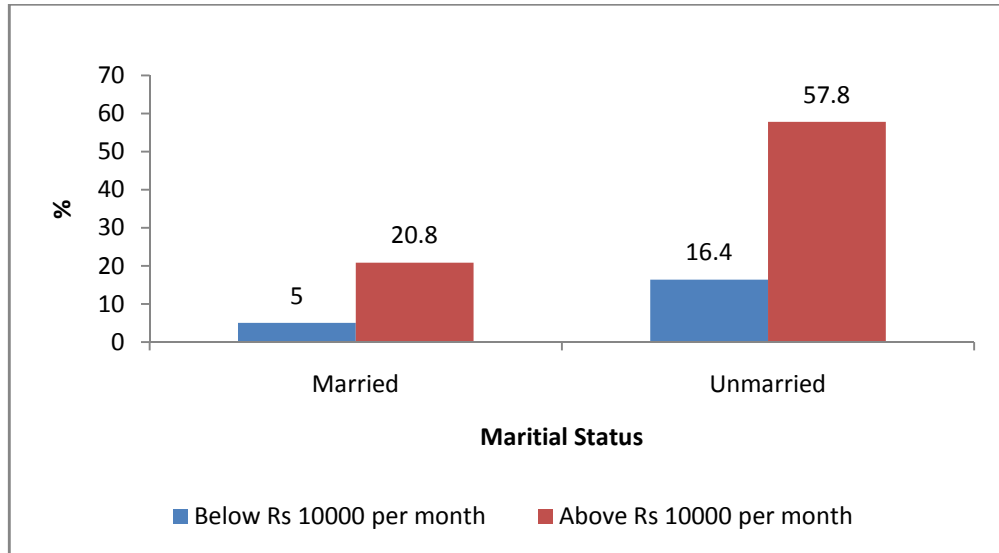
The above table:1 and graph 1 shows very clearly, Highly 96.10% of the male employees and 3.90% of females employees were collected in the study. In the part of family dependents 54.40% of employees has 2 to 3 family dependents next followed by 25.35% more than 3 family members. The chi-square found to be 5.516 which is statically significant at 0.05 levels. It is strongly association between gender and number of dependents. More family defenders leads to more financial commitment, it is one of the attrition rate of employees who are working very low salary. When family defenders are more in family it si caused by employee attrition rate is very high.

**Table 2** Association between Marital status with monthly income

Monthly Income	Marital Status		Total
	Married	Unmarried	
Below Rs 10000 per month	18 (5.00)	59 (16.40)	77 (21.40)
Above Rs 10000 per month	75 (20.80)	208 (57.80)	283 (78.60)
Total	93 (25.80)	267 (74.20)	360 (100.00)

Chi square value 0.309NS, Parenthesis indicates percentages

Note: NS Not Significant at 0.05 levels



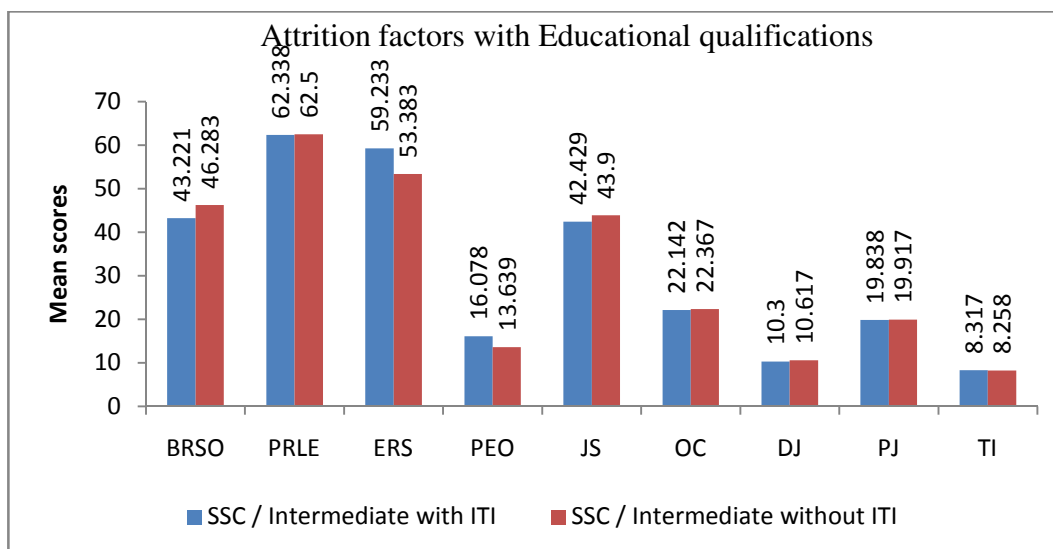
**Graph 2** Distribution of respondents of marital status and income

From the above table:2 and graph:2 shows, 78.60% of the employees getting more than Rs10000 salary next followed by 21.40% below Rs10000. Unmarried employees getting more salary (57.80%) next followed by married employees (20.80%). The Chi square value obtained 0.309 which is not statistically significant at 0.05 levels. There is no association between marital status and income of the employees.

**Table 3:** Descriptive statistics between Educational level and different factors

Education Qualification and factors	SSC / Intermediate with ITI		SSC / Intermediate without ITI		F-test
	Mean	SD	Mean	SD	
Basic Reasons for The People to Stay in The Organization (BRSO)	43.221	8.325	46.283	8.278	1.308*
Prime Reasons for Leaving Employment (PRLE)	62.338	11.249	62.500	13.135	0.015NS
Employee Retention Strategies (ERS)	59.233	6.802	53.383	7.663	2.147*
Perceived Alternative Employment Opportunities (PAEO)	16.078	6.082	13.639	5.576	4.929**
Job Satisfaction (JS)	42.429	11.988	43.900	13.056	1.134NS
Organizational Commitment (OC)	22.142	7.412	22.367	7.621	0.072NS
Distributive Justice (DJ)	10.300	3.751	10.617	3.911	0.554NS
Procedural Justice (PJ)	19.838	6.256	19.917	6.986	0.012NS
Turnover Intention (TI)	8.317	2.761	8.258	3.091	0.033NS

Note: \*\* Significant at 0.01 levels, \* Significant at 0.05 levels and NS Not significant 0.05 levels



From the above table: 3 shows descriptive statistics for various attrition factors with educational qualifications. The study focus on changes in attrition rate with respect to educational qualifications, we observed that the mean values of Perceived Alternative Employment Opportunities (PEAO) and educational qualifications is ITI passed is 16.078 and failed ITI 13.639 and F – value is given by 4.929, which is highly significant difference between both each other. It means employees thinking about their current job quit the chance may be able to find or get better than as present job.

In Employee Retention Strategies (ERS) with educational qualifications, ITI passed out employees mean score was 59.233 and followed by failed ITI employees 53.383. The F-value is obtained 2.147, which is statistically significant at 0.05 levels. It means strongly associated with educational qualifications their employee retention strategies. The remaining factors are not significant at 0.05 levels. Job Satisfaction, Prime Reasons for Leaving Employment, Organizational Commitment, Distributive Justice, Procedural Justice and Turnover Intention.

**Table 4** Test between Area and native place

Area				t-test
Factors		Mean	SD	
Basic Reasons for The People to Stay in the Organization (BRSO)	Rural	43.238	8.330	1.117NS
	Urban	44.284	8.269	
Prime Reasons for Leaving Employment (PRLE)	Rural	62.402	11.410	0.023NS
	Urban	62.371	12.900	
Employee Retention Strategies (ERS)	Rural	59.213	6.771	3.02*
	Urban	58.397	7.751	
Perceived Alternative Employment Opportunities (PAEO)	Rural	16.078	6.082	4.982**
	Urban	13.639	5.576	
Job Satisfaction (JS)	Rural	42.361	11.993	1.246NS
	Urban	44.095	13.060	
Organizational Commitment (OC)	Rural	22.209	7.495	0.08NS
	Urban	22.233	7.458	
Distributive Justice (DJ)	Rural	10.307	3.760	0.71NS
	Urban	10.612	3.898	
Procedural Justice (PJ)	Rural	19.857	6.248	0.031NS
	Urban	19.879	7.026	
Turnover Intention (TI)	Rural	8.320	2.784	0.215NS
	Urban	8.250	3.058	

Note: \*\* Significant at 0.01 levels, \* Significant at 0.05 levels and NS Not significant 0.05 levels

The above table 4 represents, here also Perceived Alternative Employment Opportunities (PAEO) highly statistically significant with area. The t-test value obtained by 4.982, which is significant at 0.01 levels, which means that alternative employment opportunities difference with area. Employee Retention Strategies (ERS) was also significant at 0.05 levels; the t-test is given by 3.02. Most of the employees thinking about their career growth and earning and development opportunities in the organization.

## 5. CONCLUSION

This study emphasis on employee socio demographical variables which may be the possible reasons for employee attrition. These are strongly associated with gender and family dependents. This analysis will help the organization or management to study further on some lagging areas to develop or create innovative plans to make the employees feel good policies. This study will help to identify underlying factors which are controlling the attrition rate as well as help management to reduce the cost.

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